

# CHART Investment Program Phase 2 Request for Proposals

Health Policy Commission

**Attachment A, Exhibit 1**  
**CHART Investment Program Overview Presentation**



# Key design elements for CHART Phase 2

1	Size of total opportunity	<ul style="list-style-type: none"><li>• <b>\$50-60 million</b> total opportunity</li><li>• Tiered, multi-year opportunities with awards stratified across hospitals</li></ul>
2	Structure & caps	<ul style="list-style-type: none"><li>• Hospital award cap of <b>\$6M/2 years</b> tied to factors such as <b>financial / patient impact, hospital financial status, and community need</b></li></ul>
3	Specificity of project focus	<ul style="list-style-type: none"><li>• <b>3 outcome-oriented project domains; behavioral health emphasized</b></li><li>• Required technology innovation and targeted strategic planning efforts</li></ul>
4	Funding model(s)	<ul style="list-style-type: none"><li>• <b>Initiation payment (\$100K)</b>; ongoing base payments for <b>milestones (at least 50%)</b>; bonus payments for <b>achievement (up to 50%)</b>; <b>required system contribution</b> where pertinent</li></ul>
5	Ensuring accountability	<ul style="list-style-type: none"><li>• <b>Standardized metrics</b> and streamlined reporting framework; strong continuation of <b>leadership/management/culture</b> development focus</li></ul>
6	Leveraging partnerships	<ul style="list-style-type: none"><li>• Appropriate <b>Community Partnerships</b> required (e.g., SNFs, CBOs, provider organizations, etc); <b>Joint Hospital Proposals</b> encouraged</li></ul>
7	Requisite Activities	<ul style="list-style-type: none"><li>• All awardees must engage in a series of <b>participation requirements</b> (joining Mass HIWay, participating in TA, evaluation, etc.)</li></ul>

# Proposed CHART Phase 2 combines standardized aims with implementation flexibility

Goal: Supporting sustainable achievement of **health care cost growth benchmark**

## CHART Phase 2: Driving System Transformation

### Aligned outcomes; flexible implementation

- **Three standardized outcome-oriented aims** drive deep impact across the Commonwealth, with flexibility in hospital-specific implementation approaches and the overarching goal of transformation toward accountable care

### Enabling Technologies

- Minimum requirement of joining and using **Mass Hlway**
- Emphasis on using **Enabling Technologies** to support and enhance achievement of outcome-oriented aims

### Strategic Planning

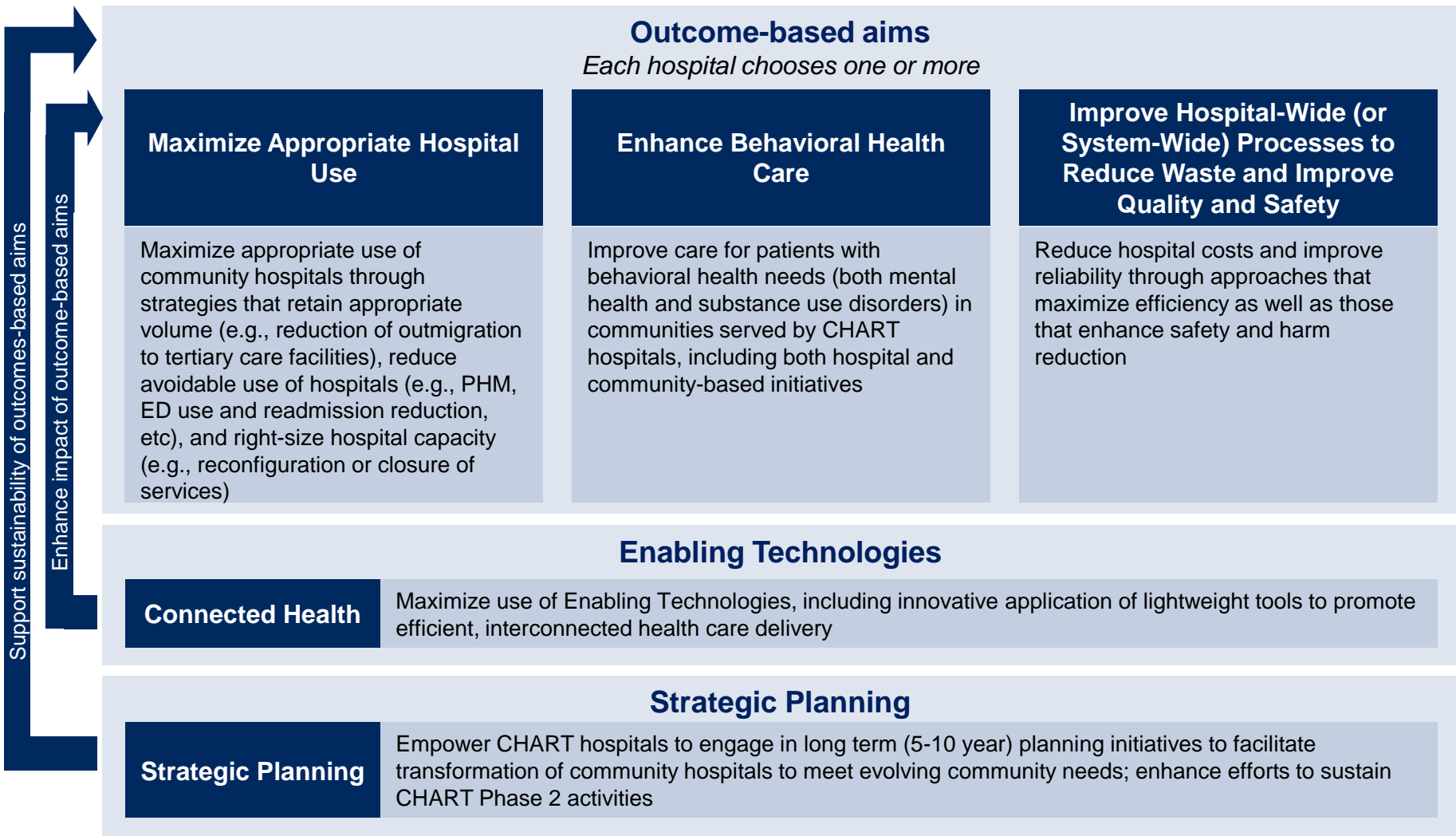
- **Strategic Planning requirement** to facilitate CHART hospitals' efforts to advance their ability to provide efficient, effective care and meet community needs in an evolving healthcare environment

**Major Teaching Hospital-based health systems** will be required to provide contributions to support project implementation in their community hospitals

Proposals will include **mechanisms** to address the aim, the **value proposition** to the hospital and to the Commonwealth, and **estimate of impact**. The detailed implementation work plan will be developed in the first 90 days.

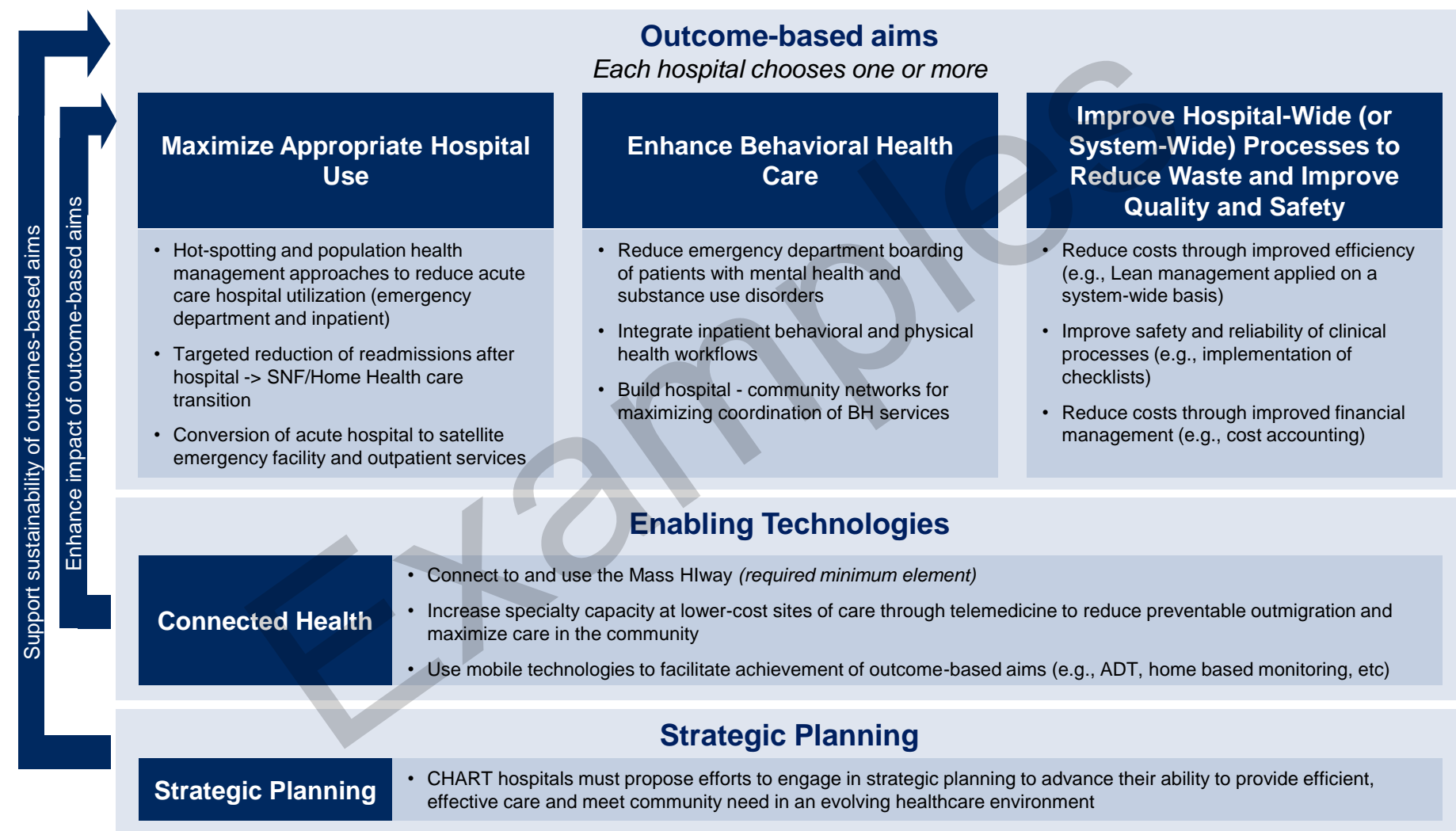
# In Phase 2, hospitals propose mechanisms to meet specified aims, with the overarching goal to drive transformation toward accountable care

## CHART Phase 2: Driving transformation to accountable care



# In Proposed Phase 2 approach, hospitals propose mechanisms to meet specified aims, with the overarching goal to drive transformation toward accountable care

## CHART Phase 2: Driving transformation to accountable care



# Example 1: Hospital combines programs to reduce unnecessary utilization with efforts to improve behavioral health and information connectivity

Each hospital’s proposal for CHART Phase 2 is comprised of:

## Hospital specific proposal activities (Covers one or more CHART defined domains)

- A** Maximize appropriate hospital use
- A** Enhance behavioral health care
- Improve hospital-wide processes to reduce waste and improve safety
- B** Enabling technologies
- C** Strategic planning

### ILLUSTRATIVE PROPOSAL

- A**
  - *Intervention:* Emergency Department-based High Risk Care Team links patients to community based providers (including PCMHs, behavioral health and other supportive services)
  - *Target Population:* patients with 3 or more ED visits or hospitalizations in the last 12 months
  - *Outcome:* reduced avoidable ED use and readmissions by 20% among served patients
- B**
  - Development of Mass HIway use cases for exchange of info with local PCMH & PAC
  - High need patients tagged in EHR
  - Cloud based individualized care plan available to cross-continuum providers
- C**
  - Strategic planning initiative to: 1) build sustainable community-based infrastructure to reduce ED use by high need patients and 2) address the fixed and variable cost impact of volume reduction on the hospital

## Common activities (All hospitals complete these)

- Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:
  - Operational Key Performance Indicator (KPI) Benchmarking
  - Mass HIway connection and use
  - Deep engagement in Executive Leadership Academy, management practice and culture-oriented activities, and potential learning collaboratives

# Example 2: Hospital focused on improving operational efficiency, quality, and connectivity

Each hospital’s proposal for CHART Phase 2 is comprised of:

**Hospital specific proposal activities**  
*(Covers one or more CHART defined domains)*

**Common activities**  
*(All hospitals complete these)*

<i>Maximize appropriate hospital use</i>	<i>Enhance behavioral health care</i>	<b>A</b> Improve hospital-wide processes to reduce waste and improve safety
<b>B</b> Enabling technologies		
<b>C</b> Strategic planning		

ILLUSTRATIVE PROPOSAL

- A**
  - *Intervention:* Development of a regional supply-chain group purchasing consortium and hospital-specific cost accounting processes to reduce operating expenses
  - *Target Population:* Hospital-wide
  - *Outcome:* Reduction in total hospital OpEx by #%
- B**
  - N/A (only Mass Hiway minimum requirement)
- C**
  - Strategic planning initiative to: 1) build sustainable community-based infrastructure to reduce ED use by high need patients and 2) address the fixed and variable cost impact of volume reduction on the hospital

- Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:
  - Operational Key Performance Indicator (KPI) Benchmarking
  - Mass Hiway connection and use
  - Deep engagement in Executive Leadership Academy, management practice and culture-oriented activities, and potential learning collaboratives

# Example 3: Hospital combines programs to reduce enhance behavioral health and reduce preventable harm

Each hospital’s proposal for CHART Phase 2 is comprised of:

**Hospital specific proposal activities**  
*(Covers one or more CHART defined domains)*

**Common activities**  
*(All hospitals complete these)*



ILLUSTRATIVE PROPOSAL

- A** • *Intervention:* 1) Lean management initiative championed by CEO to reduce sepsis, CAUTI, and CLABSI; 2) Co-locating behavioral health case managers in emergency department
- *Target Population:* 1) All patients in ED/Obs/and inpatient medical/surgical units; 2) All patients w/ BH comorbidity w/ more than three ED visits OR one ED stay of 12+ hours
- *Outcome:* 1) Reduce HAIs by 40%; reduce sepsis mortality by 20%; 2) Reduce ED boarding by 50%
- B** • Telepsychiatry pilot in collaboration with other CHART hospitals
- Integrate CLABSI/CAUTI/Sepsis decision support into EHR
- C** • Strategic planning initiative focused on reducing inpatient radiology capacity and shifting infrastructure to urgent care center

- Awardees must complete a common set of requisite activities, supporting many domains of transformation, including, e.g.:
  - Operational Key Performance Indicator (KPI) Benchmarking
  - Mass Hlway connection and use
  - Deep engagement in Executive Leadership Academy, management practice and culture-oriented activities, and potential learning collaboratives



# The RFP will include examples of potentially out of scope Phase 2 projects

Some projects that were funded in CHART Phase 1 may be out of scope for Phase 2

In scope for Phase 1		
Likely in scope for Phase 2		Likely out of scope for Phase 2
<ul style="list-style-type: none"><li>• <b>Example:</b> Implementation of a smaller EHR module to support care transitions.</li></ul>	<b>Significant stand-alone IT projects</b>	<ul style="list-style-type: none"><li>• <b>Example:</b> A large system-wide EHR implementation. While important to the CHART Hospital, this is insufficiently transformative to be funded through Phase 2 CHART.</li><li>• <b>Example:</b> A proposal to upgrade to ICD-10.</li></ul>
<ul style="list-style-type: none"><li>• <b>Example:</b> Lean training for a cohort of staff who would use acquired skills to implement process improvement projects as a core element of Phase 2</li></ul>	<b>Training without implementation of work using trained competencies</b>	<ul style="list-style-type: none"><li>• <b>Example:</b> Lean training without implementation of learned skills within the period of performance</li></ul>
<ul style="list-style-type: none"><li>• <b>Example:</b> Project focusing mainly on one payer due to hospital's payer mix</li></ul>	<b>Payer specific projects (e.g. Medicare only, Medicaid only)</b>	<ul style="list-style-type: none"><li>• <b>Example:</b> A readmissions projects aiming to prevent readmissions for CHF, pneumonia, and AMI for only Medicare patients is out of scope. With limited exceptions (e.g., driven by a hospital's payer mix or a special population) the HPC is interested in all-payer approaches to transformation.</li></ul>
<ul style="list-style-type: none"><li>• <b>Example:</b> Projects within the context of a large repurposing of hospital services or capacity for a community-oriented purpose</li></ul>	<b>Bricks and mortar/capital projects</b>	<ul style="list-style-type: none"><li>• <b>Example:</b> Operating Room upgrades may be valuable for a community, but are not in scope for CHART Phase 2 funding.</li></ul>

These projects are mostly out of scope for Phase 2

ILLUSTRATIVE DIAGRAM  
PROPORTION OF PROJECTS IN AND OUT OF SCOPE NOT TO SCALE

# Community Partnerships will be a strong emphasis of all Phase 2 projects

Substantial selection preference will be given to applicants that partner with community-based organizations (CBOs) to provide appropriate services across the continuum of care. Partnerships may be formal or informal, financial or in-kind, new or a strengthening of an existing partnership

## Partner Characteristics

*Potential Community Partnerships will depend on the nature of the project, but may include: SNFs, home health agencies, ASAPs, office practices, community mental health centers, faith-based organizations, etc.*

### Key Characteristics

- Partners should be those entities with the most overlap with the hospital in caring for the target patient population (e.g., most common senders/receivers of patients)
- Partners should represent an opportunity for close collaboration between a CHART hospital and community providers caring for the patients it serves
- Partnerships should be established early to allow shared development of applications/intervention approaches

## Partnership Examples

*There are many examples in care delivery transformation models in which hospital-community collaboration is a critical factor (e.g., 3026 Community-based care transitions programs, STAAR, etc)*

### Examples

- Referring post-treatment chemo patients to community-based chronic disease services
- Using community-based patient navigators to identify and support high-risk patients (hotspotting)
- Making pharmacists available at the worksite to provide employees with medication therapy management,
- Linking elder services with clinical care providers to enhance care transitions

# Hospital-hospital collaborative proposals are strongly encouraged

## CHART Hospital

Each CHART Hospital may participate in up to 2 proposals (up to one of each type below)

### Joint Hospital Proposals

- Proposals with other CHART Hospitals (whether otherwise affiliated or non-affiliated)
- The Joint Hospital Proposal is intended to facilitate collaboration across both affiliated and non-affiliated CHART hospitals. Joint applications may be an opportunity to maximize impact of community oriented projects or achieve efficiency through coordinated acquisition of tools/trainings, etc.
- **Examples**
  - A regional collaborative approach to identification and management of high-risk, high-cost patients
  - A coordinated approach to Lean Management through a shared training and support model that optimizes impact through shared analytics capacity
  - A regional or statewide bulk-purchasing collaborative that optimize impact through scale
  - A statewide approach to telemedicine in low-access settings that optimizes impact

### Hospital-Specific Proposals

- One hospital
- The Hospital-Specific Proposal allows an applicant to focus on unique needs of an individual institution, whether or not that hospital is also participating in a collaborative model.

The per-hospital cap on grants of \$6M will be cumulative across both proposals

# Phase 2 application process



# Working framework for Phase 2 application process

The application process will occur in two steps, a short prospectus followed by a full proposal

## Prospectus

*The prospectus is intended to be a brief (7 pages maximum), directional and non-binding proposal giving the HPC insight into the applicant's proposed intervention, and allowing early feedback.*

### Key Elements

- Selected Primary Aim(s): *appropriate hospital use, behavioral health, process improvement*
- A description of nature and size of target population(s)
- A description of nature and scope of proposed intervention(s)
- A description of proposed partners
- An estimate of investment request and an estimate of net impact

## Full Proposal

*The full proposal will include expanded details described in the prospectus, as well as select additional information.*

### Key Elements

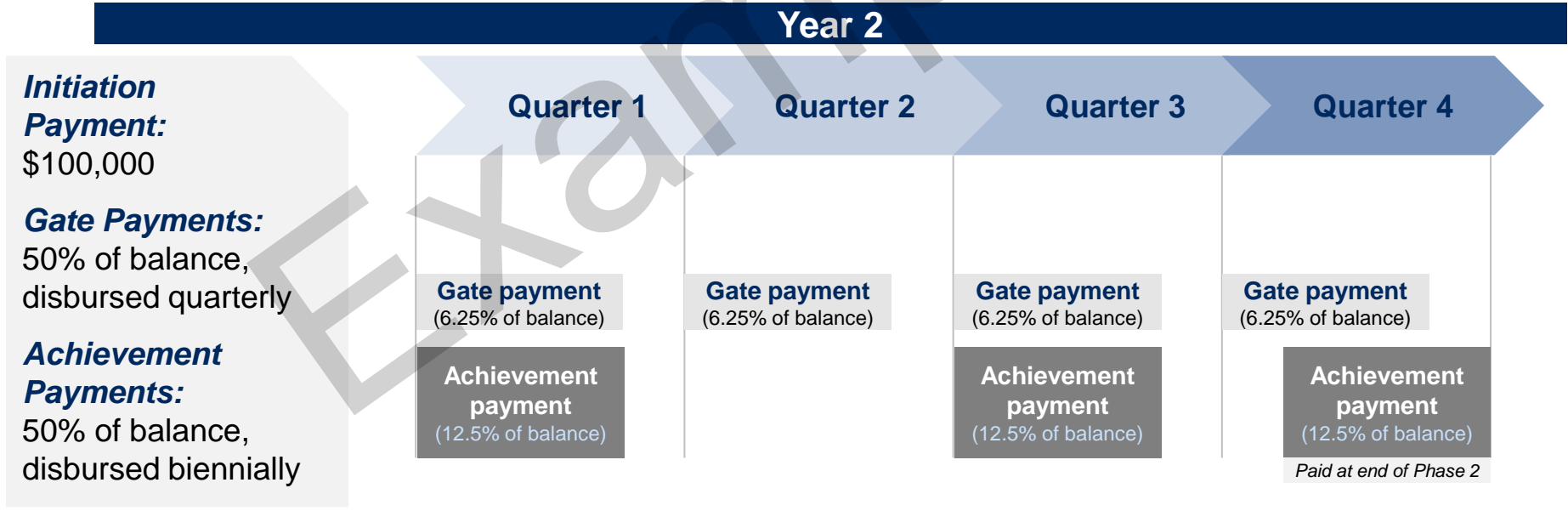
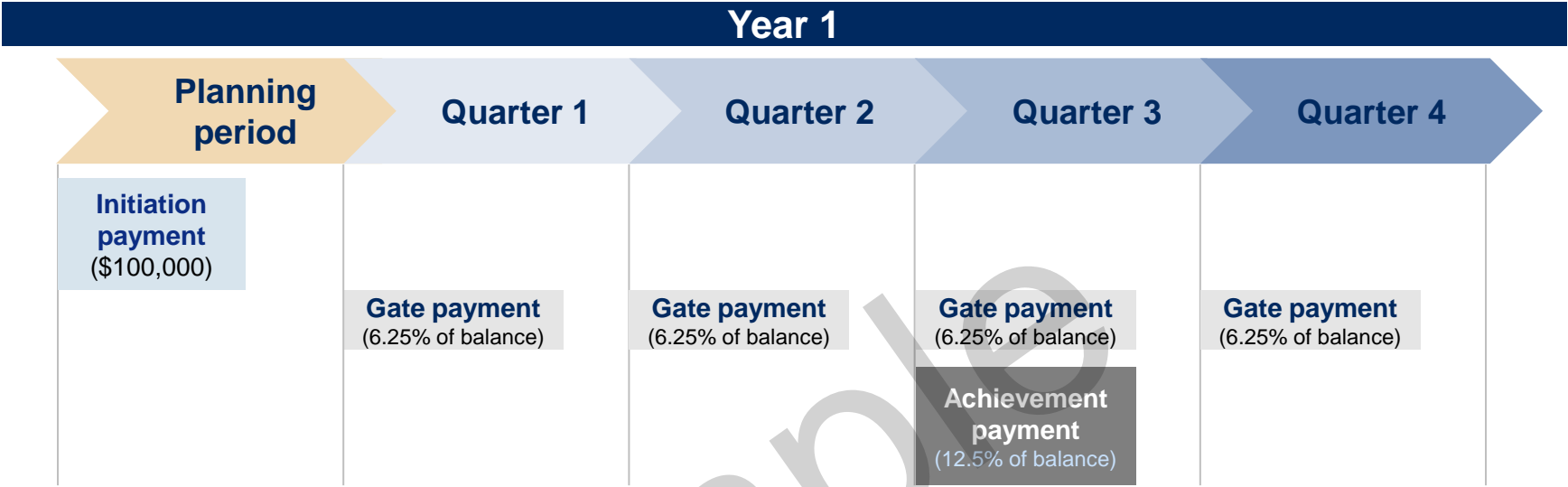
- Qualitative and/or quantitative description of community or organizational need for intervention
- Description of target population, including numbers of patients, utilization patterns
- Description of intervention(s) for each aim and target population, estimated impact of strategy and a driver diagram describing the relation of interventions to aim (s)
- Impact/investment template with narrative detail

**HPC  
feedback**

## CHART Phase 2 award disbursement model (1/2)

Funding model	<ul style="list-style-type: none"><li>▪ <b>Initiation</b> payment; ongoing base payments for <b>milestones</b>; segment of payments for <b>achievement</b> (e.g., process and outcomes)</li></ul>
Award caps	<ul style="list-style-type: none"><li>▪ Hospitals may apply for <b>up to \$6M</b></li><li>▪ Hospital-specific awards tied to factors such as <b>community need, hospital financial status, financial impact, and patient impact</b></li><li>▪ Hospitals may apply for <b>up to \$100,000</b> over two years to support meeting <b>HIWay implementation requirements</b></li><li>▪ Hospitals may apply for up to <b>\$250,000</b> to support <b>Strategic Planning requirements</b>.<ul style="list-style-type: none"><li>— Scope expectations will be commensurate with award size</li></ul></li></ul>
Initiation Payment	<ul style="list-style-type: none"><li>▪ Hospitals will receive a <b>flat \$100,000 initiation payment</b> at the time of contract execution for the 90 Implementation Planning Period</li></ul>
Strategy Payment	<ul style="list-style-type: none"><li>▪ Hospitals will receive strategic planning payments in <b>two lump sums</b>, 50% upon initiation of planning and 50% upon completion</li></ul>
Gate Payments	<ul style="list-style-type: none"><li>▪ <b>At least 50% of the balance</b> of each hospital's award will be segmented equally for quarterly milestone based <b>'gate' payments</b></li></ul>
Achievement Payments	<ul style="list-style-type: none"><li>▪ <b>Up to 50% of the balance of each hospital's award</b> will be segmented equally for biennial <b>achievement payments</b> (processes and outcomes); <b>level of risk will vary with size and impact of award</b></li></ul>

# CHART Phase 2 award disbursement model (2/2)



## CHART Phase 2 budget development (1/2)

**Award example:** Reducing Readmission through Hospital <-> SNF <-> Home Health  
Cross Continuum Teams  
**Total award: \$5M over 2 years**

Type of Payment	Payment Amounts	Number of Payments	Cumulative	Description
<b>Initiation Payment</b>	\$100,000	1	\$100,000	Funding for 90-120 day Operational Planning Period
<b>Milestone Payments</b>	\$293,750	8	\$2,350,000	Continued progression in project implementation
<b>Achievement Payments</b>	\$587,500	4	\$2,350,000	Meeting Process & Outcome Measurement Goals
<b>Strategic Planning</b>	\$50,000	2	\$100,000	Initiation & Completion
<b>Award total</b>			<b>\$5,000,000</b>	



# CHART Phase 2 budget development (2/2)

**Award example:** Reducing hospital costs and improving quality through process reengineering (delivery room, operating room, emergency department, and intensive care units) and analytics engine

**Total award: \$2M over 2 years**

Type of Payment	Payment Amounts	Number of Payments	Cumulative	Description
Initiation Payment	\$100,000	1	\$100,000	Funding for 90-120 day Operational Planning Period
Milestone Payments	\$112,500	8	\$900,000	Continued progression in project implementation
Achievement Payments	\$225,000	4	\$900,000	Meeting Process & Outcome Measurement Goals
Strategic Planning	\$50,000	2	\$100,000	Initiation & Completion
Award total			\$2,000,000	

# Eligibility factors – changes during the period of performance

## Implications of eligibility factors that may change during period of performance

- **Scenario:** Eligible hospital is acquired by or joins a for-profit system
  - *HPC action:* Varied by facts of a given scenario; consider claw-back authority to require repayment by acquiring organization
- **Scenario:** Eligible hospital is acquired by or joins a non-profit system
  - *HPC action:* Varied by financial status of system, considered opportunities for requisite contribution/matching funds by acquiring system; HPC retains discretion to amend or terminate award
- **Scenario:** Eligible hospital moves out of eligibility cohort due to shift in relative price
  - *HPC action:* Varied by facts of a given scenario; depending on the nature and level of RP shift, the HPC may allow continuation of award but retains discretion to amend or terminate award
- **Scenario:** Eligible hospital becomes a major teaching hospital
  - *HPC action:* Varied by facts of a given scenario; depending on the nature of the change, the HPC may allow continuation of award but holds discretion to amend or terminate award

# HPC community hospital study - background

## From Community Hospital to Community Health

- Hospitals and health systems in Massachusetts are facing an unprecedented impetus to transform care delivery structures and approaches
  - Shifts in reimbursement models and funding pressures
  - Shifting demographics of Commonwealth's residents
  - General trend from inpatient to outpatient care
- No comprehensive set of vetted approaches exists to guide hospital transformation.
- Community hospitals, as small organizations, can be particularly sensitive to such change.
- Massachusetts is at the cusp of delivery system transformation, and effective, action-oriented planning is necessary to ensure that hospital resources are distributed to meet current and future community need
- Such analysis will support the HPC in sustainable achievement of the health care cost growth benchmark and the CHART Investment program among other policy priorities; continued development of scope and approach of this study will be discussed at CHICI Committee, Commission, and Advisory Council meetings in coming months
- This study would be conducted in close coordination with the Secretary of EOHHS, Commissioner of DPH and the Health Planning Council to inform many areas of work in the Commonwealth, and will take into account feedback from stakeholders

# HPC community hospital study – broad concept *(in development)*

## From Community Hospital to Community Health: Goals

- To develop an action-oriented report on the future of community hospitals in Massachusetts, including analysis of baseline status, community need, and opportunity for community hospital transformation (with a toolkit to support overcoming common barriers to change)
  - To identify **challenges to transformation** in community hospitals
  - To examine the **experience of key stakeholders** to inform solutions to these challenges and identify innovations that can work in the Commonwealth to help the **CHART program drive transformation** in an eligible community hospital
  - To identify and develop resources and approaches that support hospitals' **Phase 2 strategic planning efforts**
  - To support HPC funding prioritization and hospital proposals for **future phases of CHART**
  - To conduct an analysis of acute care supply and to **identify opportunities to right-size capacity** through the CHART program and other policy approaches

# Contact information

For more information about the CHART Investment Program

- Visit us: <http://www.mass.gov/hpc/chart>
- E-mail us: [HPC-CHART@state.ma.us](mailto:HPC-CHART@state.ma.us)